



ISLER & PEDRAZZINI AG

PATENT- & MARKENANWÄLTE · PATENT

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Gothardstrasse 53
Postfach 6940
CH-8023 Zürich
Telefon +41-44-283 47 00
Telefax +41-44-283 47 47
mail@islerpedrazzini.ch
www.islerpedrazzini.ch

BY AIRMAIL

Mr.
Josef Ott
Sonnenrainstrasse 10
8735 St. Gallenkappel

Vincenzo M. Pedrazzini, lic.iur.
Christian Hilli, Dr.iur., LL.M.**
Michael Degkwitz***
Michael Liebetanz, Dipl.Phys.*
Corsin L. Blumenthal, Dr.iur.**
Natalia Clerc, Dipl.Phys.ETH*
Stefan Day, lic.iur., LL.M.**
Manfred Groner, Dr.sc.nat.ETH*
Gabriela Taugwalder, lic. iur., LL.M.**
Andrea Carreira, Dipl.Chem.PhD MIT****
Tobias Bremi, Dr.sc.nat.Dipl.CEIP*
Jens M. Ottow, Dr.rer.nat.*
Andreas Detken, Dr.rer.nat.
Dany Vogel, Dipl.El.-Ing. ETH/M.Sc.C.S.*

[Translation by Stefan Day]

Ihre Ref./your Ref. -
Uns. Ref./our Ref. S13237/SD/BR
Datum/Date August 26, 2005

* European Patent Attorney
** Rechtsanwalt · Attorney-at-Law
*** Rechtsanwalt (zugelassen in
Deutschland)
**** U.S. Patent Agent

**International Patent Application PCT/CH 2004/000700 of November 19, 2004 – “seal” and
International Patent Application PCT/CH 2004/000737 of December 14, 2004 – “decorative
foil/injecting”**

Dear Mr. Ott

In the captioned matter I have been asked by Weidmann Plastics Technology AG for support. Based on the facts given to me by Weidmann, in particular your letter dated May 16, 2005 to Weidmann, you seem to have an open question in regard why you should sign the documents submitted by Weidmann.

My client has asked me to describe the legal situation because Weidmann wants to fully answer the questions raised by you. My client would like to avoid an unnecessary dispute despite the fact that the legal situation is clear. It would like to avoid that unnecessary costs are incurred as well on your as on the side of Weidmann Plastics Technology AG and that unnecessary quarrel arises.

In order to evaluate the questions raised I have looked at different documents in particular:

- Rules for the “Members of the Management” (in force since July 1, 2001)
- The work contract dated June 30, 2000

- The letter “Rules for the Members of the Management/Signature rules” dated June 18, 2001 and signed by you on July 16, 2001
- Employment goals 2002
- Employment goals 2003
- Employment goals 2004

In order to answer the question whom the invention which was made in the course of the employment belongs to the contract as well as the rules of the Code of Obligation concerning the employment contract are applicable.

The Code of Obligation (CO) states in art. 332, para. 1 the following:

Inventions and designs which an employee makes or attributes to in his employment and in fulfilment of his contractual duties belong to the employer disregard whether they can be protected or not.

According to the leading cases to this code section inventions made by the employee in fulfilment of his contractual duties belong originally, this means from the very beginning, to the employer. The code section CO article 332, paragraph 1 applies to so called “invention in the course of duty”, i.e. inventions of employees which have in the scope of employment the design, the development or the invention of new products and methods.

The work contract dated June 30, 2000 does not contain relevant description. It does only refer to the organisational position of your employment. However the declaration of employment goals for the periods 2002 to 2004 state that you are the head of acquisition of tools and moulds. Among your main duties were in particular the development of new tools and moulds conceptions and the detail development as well as the support of optimising tools and moulds in the internal and external production. The development in general and the support of new technology were further listed under additional tasks and responsibilities.

On July 16, 2001 you additionally have signed the rules for the Members of the Management which began effective on July 1, 2001. These rules state in clause 6.19. Duties of Management:

“...all rights, in particular copyrights and/or patent rights, rights in not patented inventions as well as all work products in software, which are made by a member of the management alone or in cooperation, are deemed to be completely transferred to the enterprise [Weidmann Plastics Technology] from their inception (compare hereto for example Reh binder [see citation below] page 109).

For answering your questions furthermore the CO art. 321a, concerning the duties of trust of the employee under the employment contract are applicable. The section reads:

Duty of Care and Loyalty

¹The employee must carefully perform the work assigned to him and loyally safeguard the employer's legitimate interests.

²He shall operate the employer's machinery , tools, technical equipment, installations, and vehicles in a workmanlike manner, and handle them carefully, as well as any materials given to him for the performance of his work.

³During the employment relationship, the employee shall not perform work for third parties against compensation to the extent such work violates his duty of loyalty, and, in particular, to the extent it competes with his employer.

⁴In the course of an employment relationship, the employee shall not make use of or inform others of any facts to be kept secret, such as, in particular, manufacturing or business secrets that come to his knowledge while in the employer's service. Also, after termination of the employment relationship, he shall continue to be bound to secrecy to the extent required to safeguard the employer's legitimate interests.

Interpreted by law professors and courts this clause has been generally interpreted that the employee remains after termination of the employment contract bound by his duty of loyalty in reduced scope and in particular remains obligated to undertake certain acts which are necessary for example to

secure legal positions that have been established before the termination (e.g. Manfred Rehbinder, Swiss Labour Law 12th edition, Stämpfli, Bern 1995, page 57 below).

Conclusion:

According to the legal provisions cited and the documents reviewed the inventions made by you (partially together with Mr. Butzek), are in the scope of your employment. The inventions fall within the scope in which you had been employed, among others for development activities. These inventions belong consequentially, according to CO art. 332, para. 1 to the employer, namely my client. Accordingly the Patent Application had been filed in the name of my client.

Based on your (post-)contractual duty to loyalty you have to cooperate in order to finalize legal positions that have been established during your employment. This is true in particular because you do not give away something that otherwise would belong to you or in any other way worsen your position. You solely fulfil formal requirements required in order to avoid costly substitute “circumvention procedures”.

For this reason my client has a legitimate reason to ask your signature. In fact, it has a legal claim to your signing of the documents.

As already mentioned in the beginning, my client refers to your understanding and would like to avoid in view of the clear legal position a legal procedure. I do bring your attention to the fact, that costs for legal procedures are considerable and would be borne by the party losing the procedure. We would like to avoid such costs if possible.

For these reasons I again kindly ask you again to sign the enclosed documents where indicated, put the date on it and return them to me in the pre stamped envelope.

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Please don't hesitate to contact me with any questions that may arise.

Sincerely yours,

ISLER & PEDRAZZINI AG

/s/Stefan Day, Attorney at Law

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